

From: [Loni Davis](#)
To: Arthur.Koepsell@state.co.us
Subject: LEGACY ACRES 34-35 WATER AGREEMENT
Date: Thursday, July 03, 2014 2:21:08 PM
Attachments: [Legacy Acres 34-35 1S44W Hays Signed.pdf](#)

Arthur,

Attached is the Water agreement from Mr. Hays waiving the sampling. The other well #22530 is abandoned per verbal communication with Y-W Electric on 4-16-14.

Sorry about all the screw-ups and thanks for your help.

Have a safe and happy 4th.

Loni Davis

Augustus Energy Resources LLC
Operations Accounting and Regulatory Specialist
P. O. Box 250
Wray, CO 80758
970-332-3585
ldavis@augustusenergy.com

ACCESS AGREEMENT FOR GROUNDWATER SAMPLING
AND AUTHORIZATION FOR DATA RELEASE

This Access Agreement for Groundwater Sampling and Authorization for Data Release (the "Agreement") is made as of this 24 day of April, 2014, between, Norman J. Hays ("Grantor") and an Independent Environmental Company ("Company") contracted by Augustus Energy Resources LLC, in connection with certain real property and associated water rights located in Yuma County, Colorado.

Recitals:

- A. Grantor is the owner of that certain real property and the associated water rights located in Yuma County, Colorado, as more specifically described in Attachment A hereto (the "Property"), and desires to grant to Company and its employees, representatives, consultants, and agents license and permission to enter upon the Property for the purpose of collecting water samples from existing water wells, and/or adjudicated springs or seeps (the "Waters") for purposes of, among other things, submitting such samples for analysis to evaluate water quality on the Property prior to and after oil and gas drilling.
- B. Grantor authorizes Company to release all data related to the water samples to the Colorado Oil and Gas Conservation Commission or any other regulatory agency for their review and use, which may include posting to publicly available databases.
- C. Company desires that its employees, representatives, consultants and agents enter upon the Property to conduct such activities as is necessary to sample, analyze and evaluate the Waters on the Property.

NOW THEREFORE, in consideration of the mutual promises and covenants hereafter exchanged, and other good and valuable consideration, the parties agree as follows:

Terms:

- I. Incorporation of Recitals. The Recitals set forth above are incorporated herein by this reference as if set forth in full.
2. Authority. Grantor warrants and represents that [he/she/they] own marketable title to the Property and has full right, title and authority and associated water rights to authorize Company to enter onto the Property to perform the collection and sampling of the Waters on the Property and to enter into this Agreement. Grantor further warrants that this Agreement is valid and enforceable.
3. Grant of License. Grantor, as owner of the Property, hereby grants to Company and its employees, representatives, consultants, and agents, a nonexclusive irrevocable license and permission to enter onto the Property during the normal business hours of 8:00 a.m. - 5:00 p.m. Monday through Friday when deemed necessary by Company, upon at least twenty-four (24) hours prior notice to Grantor, for the purpose of:

(a) collecting samples of the Waters located thereon (including temporarily locating sampling equipment on such Property), and

(b) mapping the locations of the Waters on the Property (the "License"). Any and all notices to Grantor permitted or required hereunder may be given in writing, by telephone or by e-mail, to:

Name: Norman J. Hays
Address: 23875 County Road Z, Vernon, CO 80755
Telephone: 970-332-4241

4. Term. The term of the License shall commence on the date of this Agreement and continue for an additional 7 years from completion of oil/gas well.
5. Sampling. Company agrees that, at its expense, shall perform all collection, testing and analysis of the collected samples.
 - a. Company will contact Grantor to schedule the sampling described in Section 3 above.
 - b. Water samples will be collected from select existing well(s), seep(s), and/or spring(s) for which there is reasonable access.
 - c. A baseline sample will be collected from the selected well(s) and/or spring(s) or seep(s) prior to the commencement of drilling (pre-drilling sample) and subsequent samples taken between six (6) to twelve (12) months and sixty (60) to seventy-two (72) months. Company shall only sample those Waters from water wells that are properly maintained and equipped with an operating pump and an accessible tap where a water sample can be collected from the well at the surface prior to any water treatment/softener equipment or water heater.
 - d. Water pumped from any water well(s) will be discharged to existing drains or the ground near the accessible tap.
 - e. Water well and/or spring or seep locations will be mapped.
 - f. Water well depths and recharge levels may be estimated.
 - g. A laboratory, which shall be accredited to analyze the samples in Company's reasonable discretion, will be contracted to complete analysis of samples.
6. Results of Sampling.
 - a. Company will provide copies of the analytical results to Grantor within (14) days after receiving it from the environmental consultant. It is anticipated that results of the laboratory analysis may be available approximately six (6) to eight (8) weeks after water samples are collected.
 - b. All sampling data will be accessible to the public via the COGCC Website.

- 7. Documentation. Company will also collect photographs and information regarding the location of the sampled well(s) and seep(s) or spring(s) on the Property. Grantor agrees to assist Company with identifying the well or seep/spring located on the property.
- 8. Restoration. Company shall remove all of its personal property and equipment from the Property prior to the expiration of this Agreement and shall restore the Property to a condition similar to the condition it was in prior to Company's commencement of sampling activities at the Property. Company shall be responsible for the proper management, removal and disposal of any and all materials generated as the result of sampling activities on the Property.
- 9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties execute this Agreement as of the date first shown above.

COMPANY:

By: _____

Printed Name: _____

Print Title: _____

Date: _____

GRANTOR:

By: Norman J. Hays

Printed Name: Norman J. Hays

Date: April 24, 2014

I, Norman J. Hays, as owner of the water well(s) referenced herein.
 _____ Do Do Not wish to be present during the sampling.
 _____ Do Do Not wish to have referenced water wells sampled.

By signing above, I acknowledge that upon receipt of this letter "Company" may proceed with the water well sampling at their discretion and approve of the data being accessible for public viewing via the COGCC website.